

COUNTY EXECUTIVE'S 2008 BUDGET

DEPT: CAPITAL OUTLAY/DEPRECIATION CONTRA

UNIT NO. 1985
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to the provisions of Sections 59.17 and 59.51(2) of the Wisconsin Statutes, the County Board may represent the County and have the management of the business and concerns of the

County in all cases where no other provision is made.

BUDGET SUMMARY				
	2006 Actual	2007 Budget	2008 Budget	2007/2008 Change
Expenditures	\$ 0	\$ (7,127,742)	\$ (6,671,212)	\$ 456,530
Revenues	0	2,276,703	3,324,178	1,047,475
Property Tax Levy	\$ 0	\$ (9,404,445)	\$ (9,995,390)	\$ (590,945)

Proprietary Fund departments include Enterprise Fund departments (e.g., General Mitchell International Airport) and Internal Service Fund departments (e.g., DAS-Information Management Services Division). Budgeting for Proprietary Fund departments in accordance with Generally Accepted Accounting Principles (GAAP) requires that Proprietary Funds expense the cost of fixed assets over the life of the asset through depreciation. Prior to 1997, fixed assets were defined as buildings and equipment with a cost in excess of \$500. In 1997, the definitions regarding fixed assets changed. The per unit cost for non-computer equipment must exceed \$2,500 and have a useful life greater than one year. Computer related equipment must exceed \$1,000 per unit to be considered a fixed asset.

Appropriations for depreciation are included in Proprietary Fund departmental budgets while appropriations for Capital Outlay - Fixed Assets, the original cost for the fixed asset, are excluded from those budgets. To ensure proper budgeting in accordance with GAAP, yet also ensure that these

departments retain control over the purchase of fixed assets, Proprietary Fund departments reflect an appropriation for Capital Outlay - Fixed Assets and an offsetting credit appropriation.

However, the cost of Capital Outlay - Fixed Assets for Proprietary Fund Departments should be included in the property tax levy. In order to achieve this, all capital outlay costs for Proprietary Fund Departments are included in this non-departmental budget. The costs for depreciation should not be included in the tax levy, therefore, an offsetting contra for all Proprietary Fund Departments' depreciation costs is included in this non-departmental budget. This budgetary procedure has no County-wide tax levy impact.

The following table depicts the capital outlay by department for 2008 compared to 2007, the amount of depreciation in 2008 compared to 2007 and finally, the combination of these two entries that determines the tax levy amount for this non-departmental budget.

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Org.	Department Name	2007 Capital Outlay	2008 Capital Outlay	2007/2008 Change
1150	DAS-Risk Management	\$ 0	\$ 0	\$ 0
1160	DAS-IMSD	60,000	0	(60,000)
5040	Airport	1,181,550	2,109,100	927,550
5070	Transportation Services	0	0	
5080	Arch., Eng. & Environ Svcs	0	2,500	2,500
5300	Fleet Management	32,500	34,420	1,920
5600	Transit/Paratransit	343,000	370,500	27,500
5700	Facilities Management	0	0	0
6300	DHHS-Behavioral Health Division	0	0	0
TOTAL		\$ 1,617,050	\$ 2,516,520	\$ 899,470

Org.	Department Name	2007 Depreciation Contra	2008 Depreciation Contra	2007/2008 Change
1150	DAS-Risk Management	\$ (18,939)	\$ (18,939)	\$ 0
1160	DAS-IMSD	(1,523,100)	(2,068,301)	(545,201)
5040	Airport	(2,674,432)	(1,877,000)	797,432
5070	Transportation Services	(9,287)	(34,657)	(25,370)
5080	Arch., Eng. & Environ Svcs	(22,000)	0	22,000
5300	Fleet Management	(2,205,433)	(2,262,519)	(57,086)
5600	Transit/Paratransit	(2,224,000)	(2,307,437)	(83,437)
5700	Facilities Management	(2,555,200)	(2,410,179)	145,021
6300	DHHS-Behavioral Health Division	0	0	0
TOTAL		\$ (11,232,391)	\$ (10,979,032)	\$ 253,359

Fund Type:	Org.	Department Name	Capital Outlay	Depreciation Contra	Net Total Contra
Internal Service	1150-DAS-Risk Management		\$ 0	\$ (18,939)	\$ (18,939)
Internal Service	1160-DAS-IMSD		0	(2,068,301)	(2,068,301)
Enterprise	5040-Airport		2,109,100	(1,877,000)	232,100
Internal Service	5070-Transportation		0	(34,657)	(34,657)
Internal Service	5080-Arch., Eng. & Environ Svcs		2,500	0	2,500
Internal Service	5300-Fleet Management		34,420	(2,262,519)	(2,228,099)
Enterprise	5600-Transit/Paratransit		370,500	(2,307,437)	(1,936,937)
Internal Service	5700-Facilities Mgmt.		0	(2,410,179)	(2,410,179)
SUBTOTAL			\$ 2,516,520	\$ (10,979,032)	\$ (8,462,512)
Airport Capital Reserve Year-End Closing Entry*					(1,532,878)
TOTAL TAX LEVY IMPACT					\$ (9,995,390)

* To accurately budget the effect of the Agreement between General Mitchell International Airport (GMIA) and the carriers serving GMIA, this non-departmental budget reflects the fact that the Airport Capital Reserve will be charged and the general fund balance will be credited for \$1,532,878 as a year-end closing entry for the year

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2008. This entry includes \$1,791,300 for non-terminal depreciation offset by contributions from reserves of \$2,109,100 for capitalized operating items and \$1,215,078 for principal on non-terminal GMIA and Lawrence J. Timmerman Airport debt, resulting in the net credit of \$1,532,878.

EXPENDITURES/REVENUE SUMMARY			
	<u>Expenditure</u>	<u>Revenue</u>	<u>Tax Levy</u>
Capital Outlay-reflects appropriations for Proprietary Fund departments	\$ 2,516,520	\$	\$
Depreciation Contra-offsets depreciation cost in Proprietary Fund departments.	(10,979,032)		
<u>Airport Year-End Closing Entry</u>			
Airport non-terminal depreciation	1,791,300		
Contribution from Capital Improvement Reserves:			
Payment for Airport capitalized operating items		2,109,100	
Non-Terminal Project Principal		1,215,078	
TOTAL	\$ (6,671,212)	\$ 3,324,178	\$ (9,995,390)